Indian Graduates and their Employability: An Indian Scenario

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Skilled workforce has always been the most sought after desire of the corporate world in the global scenario. India has always been a country that has given to the world quite able administrators, business leaders, bankers, IT professionals, management experts, doctors, engineers and professionals in various fields. But looking at the population and the graduates in various streams there is a big question as to what percentage of the graduates passing out are skilled workforce? Are they 100% employable? Are they trained enough to solve the industrial and corporate problems? These concerns are for the students pursuing engineering, management or any other course. Every new report conducting research on young graduates passing out from Indian educational system raises a lot of questions that need to be answered by the people at the helm of affairs. The corporate houses, educationist, researchers are all concerned about the quality of the students passing out each year. This paper is an endeavour to explore the reasons for the dismal state of employability of the young graduates and the requirements of the job providers from these students. Efforts are made to identify the key areas of concerns of both the students and the employers and to provide suggestions regarding the steps that can be taken to improve the positions of the job seekers and the job providers.

Key Words: Indian graduates, employability, education system, standards, skills

Education has always been the key component in establishing identity of a nation worldwide. No country can become a strong nation unless it has a strong educated and skilled workforce. Almost every country in the world aspires to educate and train its people to compete globally. In this regard every nation reviews its education policy periodically. In this way educational system of a country continues to evolve, diversify and extend inorder to meet the global challenges.

Higher education plays extremely vital role in the national development. It gives opportunities to the people to reflect on the critical social, economic, cultural, moral and spiritual issues facing humanity. Higher education is a key to the growth of a modern economy and a powerful society. It allows the young generation to equip itself with knowledge and skills relevant within and outside the country. In this way the nation creates and develops its talent pool and knowledge repository.

Indian higher education is likely to surpass the US in the next five years and China in the next 15 years to be the largest system of higher education in the world. By 2030, India will be amongst the youngest nations in the world. With nearly 140 million people in the college-going age groups, one in every four graduates in the world will be an Indian student. But despite all these positives there are certain challenges and issues that concern the Indian educationists and planners.

India has been providing brilliant minds to the world in various areas of specialization. Yet when it comes to the question of quality the percentage is quite low? The young graduates graduating in various streams are not 100% employable and they are not trained enough to solve the industrial and corporate problems? These issues are related with the students pursuing engineering, management or any other course. Every new report conducting research on young graduates passing out from Indian educational system raises a lot of questions about the employability and potential of these graduates.
The economists, corporates, educationist, researchers are all concerned about the quality of the students passing out each year.

According to a study by Boston Consulting Group for PHD Chamber of Commerce & Industry India is all set to become the World’s third largest economy, overtaking Japan by 2020 and China between 2020 and 2030 and becoming the nation with the world’s largest workforce. While the world will have a shortage of an estimated 47 million working people, India will have a surplus of 56 million people by 2020.

Indian produces a very good number of engineering graduates every year. But what about their employability? Engineering colleges have been springing up like wild mushrooms in India in the last few years. Their number has gone up from a not too modest 1511 colleges in 2006-07 to an astoundingly high3345 in 2014-15. According to Aspiring Minds, an employee assessment service provider's 2012 National Employability Report about 83% of engineering graduates are unfit for employment.

The report highlights that only about 17.45% of engineering graduates of the year 2011 were employable. National Association of Software and Services Companies' (NASSCOM) survey of 2011 showcased that over 75% of IT graduates are not ready for jobs and further brought into notice how India's $60 billion outsourcing industry is spending almost $1 billion a year training them to be fit for jobs. Sangeeta Gupta, Senior Vice President, NASSCOM said, "Our engineers are not unemployable, they just don't have industry-ready talent. In other words, they lack the skills required for the jobs that are available to them." Another interesting finding showcased that graduates from Tier 2 and Tier 3 and Tier 4 engineering colleges in India produced graduates that were not industry ready even after interventional training. These findings have been reported by Industry Readiness Index survey conducted by Purple Leap. According to Madan Padaki, co-founder and CEO, MeritTrac Services, if 100 engineering students apply for a job today, only 20 of them are employable. “Impact of this decision could be two-fold. One, you are lowering the standards for engineering education; and, two, you have to make do with even lower quality of analytical and written English skills. This means the employability factor reduces further,” says Padaki.

According to a Nasscom’s Perspective 2020 study, industry is already facing a shortage of employable talent and companies are hiring people who lack skills, but are trainable. An average company invests 16 weeks to train one employee in areas such as technical skills, soft skills, company orientation and process-specific domain skills. As a result, the training and recruitment cost of technology services companies has risen steadily in the last few years. Recruiting a trainable pool is not a sustainable option going forward.

The supply of graduates in India is growing at around 5 per cent a year, with the current average employability rate of 26 per cent for engineering graduates and 10-15 per cent for other graduates.

A Nasscom-Evalueserve analysis shows, on an average, IT-BPO companies spend a significant amount on training of new recruits. This is equivalent to 2 per cent of industry revenues. Analysis also indicates that the training spend per employee in the IT-BPO sector is among one of the highest in the organised services sector. For example, the top five Tier-I vendors spent nearly $450 million to train about 130,000 engineers hired in 2008-09.

Looking at the demand-supply mismatch there would be huge number of opportunities for the young Indians thus increasing the talent war. Today the companies have great challenges to manage the human capital in the war talent. With the increasing number of workforce Indian talent would witness competition locally as more and more companies from all across the world are looking to establish their units in India.

**KEY CONCERNS OF COLLEGE-BOUND STUDENTS**

The educational institutes also need to understand the requirements of the students regarding their pedagogy. Needs of the students are also to be taken into due cognizance and necessary steps are to be taken to provide them necessary facilities for enabling them to meet the requirements of the job providers. College bound students have their own ways of choosing the teaching-learning processes
which according to them would be effective and provide them job opportunities worldwide. When it comes to deciding which university to study in the students have their own priorities and preferences. Research has clearly revealed that students across the world have following key concerns before joining the courses in the University:

- Considering alternatives to higher education.
- Cost of attending university.
- Satisfaction Level (experience in the university on different areas).
- Availability of online classes
- Usage of digital tools and mechanisms.
- Updated university website as the major source of information.

College bound students’ desire for more and more modern methodologies of classroom teaching where emphasis is more on digitalization of learning rather than traditional mode of learning. When choosing a university for higher studies students give top priorities to those universities that have more digital capabilities. This trend could be seen not only in India but worldwide. Even universities are aiming to attract young talent by providing them the best online or digital capabilities. Figure 1 clearly reveals that A large majority of college-bound students (85%) said that digital capabilities, such as integration of technology into classroom,

![Diagram](image1.jpg)

**Figure 1** Determinants in choosing university to attend,

*Source: 5 Nation Survey by Accenture NYSE:ACN*

virtual coursework and online classes are top determinants in choosing which university to attend, according to a five-country survey by Accenture (NYSE:AC). The survey of 1,500 students in Australia, Indian, Singapore, the United Kingdom and the United States found the strong demand for digital capabilities among students currently attending a university as well as recent graduates, with the majority (70%) calling for greater use of digital tools for learning and content delivery. Here, Indian students topped the list regarding the demand for availability of online classes (98%) use of digital tools in the classes (90%) as shown in the
Requirements and demands of the students need to be taken care of if they have to be made ready for the jobs. ASAP (Advanced Skill Acquisition Program) of Kerala is progressing rapidly with active participation from corporates. Building Innovation Doors for the students is the responsibility of these growing universities where they can establish technology oriented best practices and platforms to realize the potential of the students in the correct way which would enable these students to contribute their best at the workplace anywhere in the world.

KEY CONERNS FOR THE EMPLOYERS

Corporate world requires not only trained workforce but also a workforce that can be proactive to solve the problems arising due to competitions. These companies do not require graduates with theoretical knowledge only. They need young minds with a blend of both theoretical knowledge and practical exposure. More than 97% of the companies desire to hire the young graduates but the common corporate belief is that Indian universities are producing simple graduates only rather than skilled workforce. The present survey of the Careerbuilder India, a company related with the recruitment sector conducted a recent survey in which more than 400 companies participated. The survey shows that in changing environment institutes are focusing on bookish knowledge rather than practical knowledge. 65% companies belief than universities are producing students than can perform only limited roles in the industries. 8% companies belief than students are not groomed according the requirements of the industries. According to these companies around 60% of the graduates are not able to provide solutions to the problems. Figure 3 shows the % of companies that believe that students are weak in various skills
Companies are not only concerned about the poor skills of the young graduates graduating from these universities but they have other worries about these universities. The focus of the universities needs to be reassessed by those who are at the policy making positions. Table: 1 shows that these companies have various concerns about the universities regarding various areas.

<table>
<thead>
<tr>
<th>No</th>
<th>% of Universities</th>
<th>Area of concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>68% of the Universities</td>
<td>Give importance to theory than practical</td>
</tr>
<tr>
<td>2</td>
<td>57% of the Universities</td>
<td>Do not give any focus on technical and soft skills.</td>
</tr>
<tr>
<td>3</td>
<td>47% of the Universities</td>
<td>Are not updated according to the changing technologies</td>
</tr>
<tr>
<td>4</td>
<td>34% of the Universities</td>
<td>Do not give any emphasis on internship or live training</td>
</tr>
<tr>
<td>5</td>
<td>11% of the Universities</td>
<td>Do not have degrees according to the requirements in industries</td>
</tr>
</tbody>
</table>

Source: 5 Nation Survey by Accenture
NYSE:ACN

There has been another report which is quite an eye opener. According to Aspiring Minds, an employee assessment service provider's 2012 National Employability Report about 83% of engineering graduates are unfit for employment. The report highlights that only about 17.45% of engineering graduates of the year 2011 were employable. National Association of Software and Services Companies' (NASSCOM) survey of 2011 showcased that over 75% of IT graduates are not ready for jobs and further brought into notice how India's $60 billion outsourcing industry is spending almost $1 billion a year training them to be fit for jobs. Sangeeta Gupta, Senior Vice President, NASSCOM said, "Our engineers are not unemployable, they just don't have industry-ready talent. In other words, they lack the skills required for the jobs that are available to them."

Engineering colleges have been springing up like wild mushrooms in India in the last few years. Their number has gone up from a not too modest 1511 colleges in 2006-07 to an astoundingly high 3345 in 2014-15. The state of Andhra Pradesh alone has more than 700 colleges.

If these figures are anything to go by, it would be easy to be led into believing that opting for a degree in engineering would be a wise career move in India. The fact, however, remains that 20-33% out of the 1.5 million engineering graduates passing out every year run the risk of not getting a job at all, points out Economic Times. For those who do, the entry-level salary is pathetically low, and has
stagnated at that level for the last eight-nine years, though the prices of everything from groceries to vehicle fuel have shot up during the same period.

**JOB OPPORTUNITIES FOR THE STUDENTS**

Indigenous and global market is extremely dynamic and would always look for talents. Job openings for the young graduates are quite attractive. Various sectors are looking for more and more bright graduates that would be able to serve their sectors efficiently and diligently. **Figure: 4** shows that various sectors have substantive percentage of jobs in for the skilled graduates.

![Figure 4](image)

**Figure: 4** Various sectors having substantive percentage of jobs in for the skilled graduates.

The figure shows that the market is consistently looking for young graduates with requisite skills but the main concern is the quality of these young graduates passing out from various academic institutions. Evening during the global economic show down hunt for the talent is still on by the companies. There may be effect of economic turmoil in the fall of percentage of employability but for efficient, skilled and learned young graduates there is no dearth of jobs. India was, is and even in the future it would always be one of the most sought after techno-savvy counties in the world. Like the “Make in India” campaign what digital India has done is that it has given a gentle but much required push to an industry fraught with unexplored possibilities.

**REASONS FOR POOR EMPLOYABILITY OF THE YOUNG GRADUATES**

1. **Outdated Learning**
   
   Learning basics is one thing, but learning ancient programming languages, for example, FORTRAN, and not staying in touch with the industry could be one reason why engineering students are not relevant to today’s industry.

2. **Theory vs Practice**

   The current education system poses a chasm between theory and practice. Very little of what is learnt at college can be put into practice in everyday life. Hence, the best performers of the system, which are the kids with the best grades, actually can do very little work and need to be separately trained for it. That’s an expense that not everyone in the industry wants to take.

3. **Exam Culture**

   Learning is a continual process, and exams are a way to measure the extent of your learning. It is not the end all. Unfortunately, the CGPA or grade of a graduate is the first filter for employment, and hence students lay emphasis on only the exam and not on learning the subject. This results in weak fundamentals, and hence, industry irrelevance.

4. **Lack of Exposure**

   Given that the end goal of technical education is a placement in a college, the amount of exposure given to students about the industry is also very little. It is not until the final year of
their college that they begin to understand what the industry really wants. An early exposure to industry can give students an idea of what is relevant in the industry, which they can learn in their own time.

5. **Bad Career Matching**
   Over the years, the lucrative opportunities that a professional life in the technology industry has provided, has made engineering sciences the de-facto choice for graduate studies. Whether or not the student has the aptitude for the stream is not taken into account, resulting in uninterested engineering candidates, who haven’t taken to their subjects as much as they should have, making them irrelevant to the industry.

6. **Lack of Proper Communication Skills**
   English language is a window to the outside world and a fluent speaker in the language can garner job opportunities for himself. Unfit in communication skills, confidence, and presentations are areas of concerns for the students to get jobs in the market. Report shows that over 50% graduates fall short of the mark in language and grammar as well.

**HOW TO ADDRESS THE PROBLEMS AND PROVIDE SOLUTIONS**

1. **Proper Training and Development**
   The aspirations of today’s talent are too high and that is why there is such high attrition. So, one has to be clear about the kind of talent they want on board. If a person is slightly low in terms of such skills, we have to bridge the gap through training and development and ensure that he sticks to the job. (www. Its MyAscent. Com 1 15 July 2015)

2. **Industry-Academia Interactions**
   Educational institutes need to focus on the ‘how’ factor to bridge the gap between a graduate and an employable graduate. Generally in India we have very low percentage of graduates who are employable. Most educational institutions in India emphasize on ‘what’ and ‘why’ and less on ‘how’. The emergence of new technologies in education has added a lot of positive sentiments to these issues. There are so many online platforms that provide fee accessible information and some big things are happening on that front. So, if the educational institutions keep themselves close to the industry requirements develop a mechanism in which they can integrate these requirements into their curriculum and have the industry experts participate and interact with the students that will help in making them learn the ‘how’ part of it. Also, leveraging technology will go a long way in bringing this gap. (www. Its My Ascent. Com 1 15 July 2015)

3. **Imparting Training with a Blend of Technical and Soft Skills**
   The training provided to employees includes not only technical courses such as software programming but also those focused on imparting soft skills like leadership, business communication and personality development. A large number of companies have entered into partnerships with colleges to launch industry-specific courses in order to increase the employability of graduates. Some companies have come up with a plant to enhance graduate skills through various programmes training the graduates over the development of their soft skills. Experts suggest students to personally cater to their overall skills development by participating in such activities besides powering their technical expertise better.

4. **Development of Need based Curriculum**
   To ensure the new and relevant skills there is an urgent need to develop a curriculum that supports the industry requirements of today and tomorrow. The skills that will be in demand are in the areas like sensor technology, virtualization, cyber security and authentication , analytics ad data management, mobile application development an cloud.

5. **Training and Development of faculty**
   To meet the problem of quality demand and supply it has necessary to impart training and development of faculty. Having identified the gaps, industry experts foresee the need for improvement in current colleges as a priority as against bringing together newer courses and institutes for education.
6. **Shift from General Model to Student-Centred Model of Imparting Education**

With the advancements of learning it is the need of the hour that students should be taught in such a way that they are able to pursue their careers of their interest where they are able to make maximum use of their strengths, skills and abilities. In order to achieve this goal student-centric model should be given weightage over the general model of teaching-learning.

7. **Develop Not-for-Profit Institutes**

In order to harness the demographic dividend, it is the need of the time to allow not-for-profit institutes to bring large-scale investments from Indian promoters and international educational institutes. This step would definitely boost the educational standard in India and would establish India’s name in the area of knowledge and learning at the global level.

8. **Following Best Practices in Accreditation and Assessment**

Academic quality of institutions is of supreme importance. In order to achieve this quality the institutions must follow best practices in accreditation and assessment. More and more institutions must adhere to the quality and standards guided and suggested by the accreditation bodies like NAAC and NBA.

Thus, in this age of global competition and high aspirations the chief goal of educational institutions should be to produce students that are competent enough to do innovative things, are creative, problem finders and solution seekers. At the same time locus of the focus for all the educational institutions should be to impart learning which would help the young graduates to tackle challenges in changing times. Young graduates would be employable only when they meet the corporate demands of required skills and knowledge and not mere holding the degrees. The aim of the universities should be to nurture and develop quality students rather than producing them in large quantity without proper skills and knowledge.

**References**


